

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Rate Adjustment Due to Extraordinary
or Exceptional Circumstances

Docket No. R2013-11

PRESIDING OFFICER'S INFORMATION REQUEST NO. 18

(Issued June 22, 2015)

To further clarify the amount of exigent surcharge revenue collected, the Postal Service is requested to provide a written response to the following questions. The Postal Service shall file revised workpapers to reflect any corrections resulting from its responses to the following questions. The Postal Service shall ensure that conforming changes are made to all relevant workpapers filed with previous and future revenue collection reports and file revised workpapers with the Commission. The information requested should be provided no later than June 30, 2015.

For the purposes of the following questions, unless otherwise indicated, all the filings referenced are within Docket No. R2013-11.

Special Services

1. Please provide the FY 2015 Quarter 1 RPW Extract.
2. Please refer to the Postal Service's responses to Presiding Officer's Information Request No. 17, May 15, 2015,¹ file "ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx," tab "G-3 Certificates of Mailing," and question 12, where the Postal Service states that "[d]ividing the revenue reported in the RPW extract file by the volume reported in the RPW extract file frequently does not

¹ Responses of the United States Postal Service to Questions 1-36 and 37 (A-E) of Presiding Officer's Information Request No. 17, May 15, 2015 (Responses to POIR No. 17).

result in a value that equals the prevailing price, because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.”

- a. Please confirm that the unit revenue for Firm Mailing Book is \$0.42 (revenue in cell C41 divided by the volume in cell D41).
 - b. Please confirm that customers underpaid by \$0.05 on average (compare with the R2013-11 price of \$0.47 in cell J10). If not confirmed, please explain.
 - c. Please confirm that the volume for Bulk in cell H12 should be derived by dividing the revenue from cell C42 by the R2013-11 price in cell J12, rather than dividing by the R2013-10 price in cell I12. If not confirmed, please explain.
 - d. Please confirm the unit revenue for Duplicate is \$1.47 (revenue in cell C43 divided by the volume in cell D43).
 - e. Please confirm that customers overpaid by \$0.17 on average (compare with the R2013-11 price of \$1.30 in cell J13). If not confirmed, please explain.
3. Please refer to the Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx.”
- a. Please revise tab “H-4 First Class Presort Permits” to reflect the Postal Service’s response to question 19b.
 - b. Please revise tab “J-1-2-3 Other Income” to reflect the Postal Service’s response to question 20b.
 - c. Please revise tab “AEC II” to reflect the Postal Service’s response to question 33b.

- d. Please revise tab “Z4 (ZIP 4) Change” to reflect the Postal Service’s response to question 35b.
 - e. Please revise tab “NCOALink” to reflect the Postal Service’s response to question 37.
4. Please refer to the Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx,” tab “F-2 COD,” and question 14, where the Postal Service states that “[t]he revenue reported in cell C34 is a summation of revenue reported in the RPW Extract file. The revenue in cell L27 equals the sum of the volumes reported in the RPW Extract file times the Docket No. R2013-11 prices. These values are not equal because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.”
- a. Please confirm that the unit revenue for “Bulk COD” is \$10.05 (revenue in cell C27 divided by the transactions in cell C26). If not confirmed, please explain.
 - b. Please confirm that for the “Bulk COD” transactions, customers underpaid by an average of \$0.41 per transaction. If not confirmed, please explain. Please note that the unit revenue of \$10.05 is equivalent to the R2013-10 price for “Bulk COD” in cell H23 suggesting that this price may have been incorrectly used to derive the revenue in cell C27.
5. Please refer to the Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx,” tab “F-12 Signature Confirmation,” and question 28, where the Postal Service states that “[t]he revenues report[ed] in column D are directly from the RPW Extract file. The revenues reported in column M are the result of multiplying the RPW Extract file volumes times the Docket No. R2013-11 prices. These values are not equal because of customers overpaying

or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.”

- a. Please confirm that the unit revenue for “Electronic” is \$2.25 (revenue in cell D9 divided by the transactions in cell C9). If not confirmed, please explain.
 - b. Please confirm that customers underpaid by an average of \$0.10 per transaction. If not confirmed, please explain. Please note that the unit revenue of \$2.25 is equivalent to the R2013-10 price for “Electronic” in cell I10 suggesting that this price may have been incorrectly used to derive the revenue in cell D9.
6. Please refer to the Responses to POIR No. 17, question 16b, where the Postal Service states that “308 refunds of \$1.05 each were issued, reducing the revenue number (but not the volume number).” Please file revised workpapers showing a line item for refunds similar to the way refunds were accounted for in tabs “AIS Viewer” and “LACSLink.”
 7. Please refer to the Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev522.xlsx.” Please provide revised workpapers consistent with the Postal Service’s response to question 37, parts c and d.
 8. Please refer to the Postal Service’s Notice of May 15, 2015,² file “ExigSrchgRevSPEC-SERV(2Q15).xlsx,” tab “F-3 Insurance.”
 - a. Please confirm that the volume total in cell F64 does not include the volume for MRS from cell F61. If confirmed, please explain.

² Notice of the United States Postal Service of Filing Revenue Collection Report for Quarter 2 of Fiscal Year 2015, May 15, 2015 (Notice).

- b. Please reconcile the difference in R2013-11 prices between cells H61:H62 and the identically labeled tabs and cells in the Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx.”
 - c. Please reconcile the difference in revenue between cell C64 and cell K59.
- 9. Please refer to the Notice, file “ExigSrchgRevSPEC-SERV(2Q15).xlsx.”
 - a. Please confirm that the volume in tab “F-5 Money Orders,” cell 16 should be 54,360 (revenue from cell D16 divided by the R2013-11 price in cell I15). If not confirmed, please explain.
 - b. Please confirm that the volume in tab “H-1 PAL,” cell G12 should be 787 (revenue from cell D14 divided by the R2013-11 price in cell I12). If not confirmed, please explain.
- 10. Please refer to Responses to POIR No. 17, file “ExigSrchgRevSPEC-SERV(1Q15)Rev515.xlsx.”
 - a. Please confirm that in tab “F-6 Registered Mail,” line item “MRS Registered” was omitted from the “Price and Revenue Increase Calculations” cells E6:L44. If not confirmed, please explain. If confirmed, please provide a rationale for the omission of “MRS Registered” from the “Price and Revenue Increase Calculations.”
 - b. Please reconcile the value in tab “Exigent Surcharge Revenue,” cell E65 with cell I33 in “International Market Dominant Products Billing Determinants FY 2015 Quarter 2,” May 20, 2015, file “Q215_MKT_DOMINANT_INTL_BD.xls,” tab “INTL FEES & SERVICES.”

Package Services

- 11. On May 20, 2015, the Postal Service filed FY 2015 Quarter 2 billing determinants for Bound Printed Matter in file “BPM_BDs_2015--Q2.xlsx.” Tab “Presort Parcels BD Q2,” cell H21 indicates that 519 pieces were shipped at Carrier Route Presort

DNDC Zone 5 BPM Parcels prices. The data in the Notice, file “ExigSrchgRevPACK-SERV(2Q15).xlsx,” tab “BPM Prcls Revs.@R2013-10 Prices,” cell G66 and tab “BPM Prcls Revs.@R2013-11 Prices,” cell G67 indicate that 0 pieces were shipped at Carrier Route Presort DNDC Zone 5 BPM Parcels prices. Please confirm that in file “ExigSrchgRevPACK-SERV(2Q15).xlsx,” tab “BPM Prcls Revs.@R2013-10 Prices,” cell G66 and tab “BPM Prcls Revs.@R2013-11 Prices,” cell G67 should indicate that 519 pieces were shipped at Carrier Route Presort DNDC Zone 5 BPM Parcels prices. If confirmed, please provide revised workpapers. If not confirmed, please explain.

12. In the Notice, file “ExigSrchgRevPACK-SERV(2Q15).xlsx,” tab “FY2015Q2 AR MM & LM BDs,” the billing determinants reported do not match the billing determinants filed on May 20, 2015 in file “Media and Library Mail BDs Q2 2015.” In addition, in both files, the total pounds reported for Media/Library Mail differ significantly from the RPW pounds reported. Please explain the discrepancy in billing determinants reported and reconcile the total pounds with the RPW pounds for Media/Library Mail in file “Media and Library Mail BDs Q2 2015” filed on May 20, 2015.

Robert G. Taub
Presiding Officer